GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:681
ANSWERED ON:28.11.2005
REVIVAL OF SUGAR MILLS
Chavan Shri Harischandra Deoram

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the number of operational and sick co-operative sugar mills in the country at present;

(b) whether the Union Government proposes to formulate or has formulated any scheme to revive sick co-operative sugar mills in the country;

(a) if so, the details thereof; and

(b) the amount likely to be allocated by the Government for implementation of the said scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): As on 30.09.2005, there were 202 cooperative sugar mills under operation and 113 sugar mills remained sick/closed at present.

(b), (c) & (d): In order to help sick cooperative sugar mills to rehabilitate/revive which have eroded their net worth, a Committee for rehabilitation of sick cooperative sugar mills has been constituted by the Central Government to consider such cases and recommend for their rehabilitation. On the basis of the recommendation of the Committee, loan under Sugar Development Fund can be granted for such a potentially viable sick undertaking for its rehabilitation/modernization of plant and machinery as also for sugarcane development.

The loan for modernization or rehabilitation to such mills can be granted upto 60% of the eligible project cost at a concessional rate of simple interest of 2% below the `Bank Rate`, which effectively works out to 4% currently and shall be repaid in equal half-yearly instalments not exceeding eight in number after a moratorium of one year.